

Message Text

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46

ACTION ARA-10

INFO OCT-01 ADP-00 EB-03 RSR-01 RSC-01 /016 W

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P 141755Z JUL 73

FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC PRIORITY 2367

LIMITED OFFICIAL USE KINGSTON 2337

LIMDIS

E.O. 11652: N/A

TAGS: EIND JM

SUBJECT: AGE OF OBJECTIVITY

FOR BURKE ARA LA/CAR

REF: STATE 138491

1. THE CALENDAR TELLS US THAT WE ARE HALF WAY THROUGH THE YEAR 1973 AND THE PASSAGE OF TIME WOULD SEEM TO INDICATE THAT THE TIME HAS COME TO REACH THE AGE OF OBJECTIVITY

2. THE EMBASSY CAN FIND NO FAULT WITH THE SUBJECT OF REFTTEL OR PARAGRAPH ONE OF REFTTEL, BUT IS SLIGHTLY UNEASY ABOUT THE FIRST PARAGRAPH OF THE STATEMENT, THOUGH COULD SUBSCRIBE TO IT WITHOUT MATERIALLY DAMAGING EMBASSY'S CONSCIENCE. FROM THAT POINT ON, THERE IS SIMPLY NO WAY THAT WE CAN AGREE WITH THE STATEMENTS AND ASSERTIONS MADE AND MORE PARTICULARLY WITH THE CONCLUSIONS DRAWN CONCERNING WHAT ACTUALLY HAPPENED IN 1969 AND 1970 REGARDING THE ISSUANCE OF THE ENORMOUS INVESTMENT GUARANTEES ON THE BAUXITE/ALUMINA INDUSTRY HERE IN JAMAICA.

3. SPECIFICALLY, WE FIND IT GROSSLY UNFAIR AND MIS-LEADING TO INFORM THE SENATE COMMITTEE THAT JAMAICA IS A GOOD PROSPECT FOR POLITICAL STABILITY, PARTICULARLY OVER

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THE LIFE OF THE INSURANCE. IT IS EQUALLY UNFAIR TO STATE

THAT THE GOVERNMENT HAS A SOUND JUDICIAL SYSTEM, THAT THE TWO POLITICAL PARTIES ARE CLOSELY MATCHED EITHER NUMERICALLY OR IDEOLOGICALLY, AND THAT THE CIVIL SERVICE IS RELIABLE. THE FOREGOING STATEMENTS WOULD REQUIRE SIGNIFICANT QUALIFICATION TO EVEN PARTIALLY PROJECT THE TRUTH TO THE COMMITTEE. IN ADDITION, IT IS A FALLACY TO BELIEVE THAT JAMAICA HAS VOLUNTARILY ESTABLISHED A HISTORY OF DEALING IN A RESPONSIVE MANNER WITH INVESTORS IN THE BAUXITE/ALUMINA INDUSTRY. THE GOVERNMENT OF JAMAICA HAS BEEN BEATEN AND COERCED INTO ITS POSITION.

4. THE FINAL PARAGRAPH WOULD MISLEAD THE COMMITTEE AS TO THE DEPARTMENT'S AND OPIC'S ROLES IN THE ISSUANCE OF THE GUARANTEES. EDWARD LONG, FORMER ARA-CAR DIRECTOR, SIGNED OFF WITH A WARM, POSITIVE ENDORSEMENT OF THESE GUARANTEES ON BEHALF OF ARA WITHOUT ANY PRIOR CONSULTATION WITH THIS EMBASSY. THE DIALOGUE THAT EXISTED BETWEEN THE EMBASSY, OPIC AND THE DEPARTMENT DURING THE FIRST SIX MONTHS OF 1970 WAS ACRIMONIOUS AND UNPLEASANT AND EVERY ATTEMPT WAS MADE TO PRESSURE THE EMBASSY INTO ENDORSING THE ISSUANCE OF THE INSURANCE. IT IS OBVIOUS THAT OPIC HAD PREVIOUSLY COMMITTED THEMSELVES VERBALLY OR BY INFERENCE AS ALCOA, REVERE AND ALPART WERE IN ADVANCE STAGES OF CONSTRUCTION IN 1969-70. THEIR FINANCING HAD BEEN PREDICATED UPON THE ISSUANCE OF THESE GUARANTEES. IT IS ENTIRELY TRUE THAT THE PRIME MINISTER ENDORSED THE ISSUANCE OF THE INSURANCE BECAUSE TO DO TO THE CONTRARY WOULD HAVE BEEN FOOLISH AS HE WAS GETTING SOMETHING FOR NOTHING.

5. EMBASSY KINGSTON REALLY NEVER CONCURRED IN THE ISSUANCE OF THESE GUARANTEES BUT RATHER STATED, AND I QUOTE FROM KINGSTON 1841 DATED JULY 23, 1970, "WE THEREFORE THINK THAT TIME MAY BE RIPE TO ISSUE ALUMINA/BAUXITE INVESTMENT GUARANTEES AND WOULD NOT REPEAT NOT NOW OBJECT IF DEPARTMENT AND AID/W SO DECIDE." HARDLY A POSITIVE ENDORSEMENT

6. COMMENT: DEPARTMENT SHOULD RECALL AMBASSADOR WAS ORDERED IN JANUARY 1970 BY ASSISTANT SECRETARY MEYER, LIMITED OFFICIAL USE

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DEPUTY ASSISTANT SECRETARY HURWITCH AND CAR DIRECTOR LONG NOT TO ENGAGE IN OR BE A PARTY TO ANY DIALOGUE WITH THE GOVERNMENT OF JAMAICA AND/OR BAUXITE COMPANIES MINING ON THIS ISLAND. TO QUOTE THEM "AN AMBASSADOR HAS NO ROLE TO PLAY IN FOREIGN INVESTMENTS. IT IS A MATTER BETWEEN THE HOST GOVERNMENT AND THE COMPANIES." DE ROULET

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